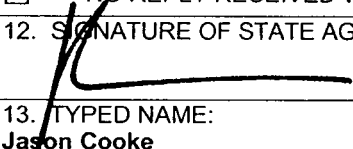



TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 03 - 32	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: December 1, 2003	
5. TYPE OF PLAN MATERIAL (<i>Circle One</i>):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION:		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT	
		a. FFY 04 \$ 0 b. FFY 05 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): SEE ATTACHMENT	
10. SUBJECT OF AMENDMENT: This amendment revises the Reimbursement Methodology for Day Activity and Health Services to change the spending requirement for the Attendant Compensation Rate Enhancement.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Jason Cooke State Medicaid/CHIP Director Post Office Box 13247 Austin, Texas 78711	
13. TYPED NAME: Jason Cooke			
14. TITLE: State Medicaid/CHIP Director			
15. DATE SUBMITTED: December 19, 2003			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 19 DECEMBER 2003		18. DATE APPROVED: 4 FEBRUARY 2004	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 DECEMBER 2003		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: ANDREW A. FREDRICKSON		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIV OF MEDICAID & CHILDREN'S HEALTH	
23. REMARKS:			

(5) Determination of attendant compensation rate component for participating contracts. HHSC will determine attendant compensation rate enhancement increments associated with each enhanced attendant compensation level. The attendant compensation rate enhancement increments will be determined by taking into consideration quality of care, labor market conditions, economic factors, and budget constraints. The attendant compensation rate enhancement increments will be determined on a per-unit-of-service basis applicable to each program or service.

(6) Spending requirements for participating contracts. Participating contracts are subject to a spending requirement as follows:

(A) For the rate year beginning September 1, 2003, the attendant compensation spending per unit of service will be multiplied by 1.10 to determine the adjusted attendant compensation per unit of service.

(B) The adjusted attendant compensation per unit of service from X (6)(A) will be subtracted from the accrued attendant compensation revenue to determine the amount to be recouped. If the adjusted attendant compensation per unit of service is greater than or equal to the attendant compensation revenue per unit of service, there is no recoupment.

(C) The amount paid for attendant compensation per unit of service after adjustments for recoupment must not be less than the amount determined for nonparticipating contracts.

(7) Reinvestment. HHSC will reinvest recouped funds from X(6) in the attendant compensation rate enhancement to the extent that there are qualifying contracts.

(A) Contracts meeting the following criteria during the most recently completed reporting period are qualifying contracts for reinvestment purposes.

(i) The contract was a participant in the attendant compensation rate enhancement.

(ii) The contract's attendant compensation spending per unit of service of this section was greater than the total attendant compensation rate per unit of service granted to the contract.

(iii) HHSC has received an acceptable Attendant Compensation Report completed in accordance with all applicable rules and instructions.

(B) Available funds are distributed as described below.

(i) HHSC determines units of service provided during the most recent completed reporting period by each qualifying contract and multiplies this number by the attendant compensation spending per unit of service minus the attendant compensation rate per unit of service for the reporting period.

STATE	<u>Texas</u>
DATE RECD	<u>19 Dec 2003</u>
DATE APP'D	<u>4 Feb 2004</u>
DATE EFF	<u>1 Dec 2003</u>
HCFA 179	<u>03-32</u>

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